



County of Los Angeles
Department of Public Social Services

Bryce Yokomizo
Director

June 19, 2003

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

SUBJECT: REPORT ON CALWORKS FUNDING: FISCAL YEAR 2003-04

As instructed on March 4, 2003, this is to provide your Board with a report prior to the commencement of Budget Deliberations on the projected Fiscal Year (FY) 2003-04 CalWORKs single allocation, the projected impact of proposed curtailments to the CalWORKs program, the projected amount of unspent Performance Incentives and the status of rollover authority for unspent Performance Incentives. The Chief Administrative Office has reviewed this report and concurs with the projections.

FY 2003-04 SINGLE ALLOCATION

Based on the Governor's May Revision and subject to changes in the final State budget, our CalWORKs Single Allocation for FY 2003-04 is projected to be \$522.3 million for eligibility administration, Welfare-to-Work Services, Cal-Learn, and Stage 1 Child Care. The projected funding is \$55.1 million less than this year's funding level.

CURTAILMENTS TO THE CALWORKS PROGRAM

The Final Changes to the Proposed DPSS Budget for FY 2003-04 reflect the restoration of substantial reductions which had been included in the Proposed Budget, based on an increase in Single Allocation funding in the Governor's May Revision. Many of the remaining reductions will be restored if your Board approves the funding recommendations from the CalWORKs Stakeholders Process which are part of your Board's agenda for Budget Deliberations. These reductions, which would be restored through approval of the Stakeholders' recommendations, include 156 eligibility staff and full-year funding for the After-School Enrichment Program, Services to Time-Limited Adults, and Homelessness Prevention Services.

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AMOUNT OF UNSPENT PERFORMANCE INCENTIVES

Based on the latest expenditure projections and additional current year Performance Incentives and Single Allocation funds allocated by the State in May 2003, \$45 million is projected to be available for services in FY 2003-04 in addition to the \$14.3 million approved by your Board on March 4, 2003. In accordance with your Board's action on April 29, 2003, Performance Incentives that would otherwise be unspent as of June 30, 2003 will be used instead of net County cost (NCC) to pay for Juvenile Probation Services in 2002-03. Accordingly, the available funds in FY 2003-04 will be preserved NCC currently budgeted to the Probation Department.

ROLLOVER AUTHORITY FOR UNSPENT PERFORMANCE INCENTIVES

Given the uncertainty regarding the rollover of unspent Performance Incentives in FY 2003-04, on April 29, 2003, as referenced above, your Board directed the utilization of any unspent CalWORKs Performance Incentives to pay for juvenile probation services that would otherwise be funded with NCC. This action by your Board makes rollover authority for Performance Incentives irrelevant in Los Angeles County, unless the amount of otherwise unspent Performance Incentives ultimately exceeds the amount of juvenile probation services, which can be funded with Performance Incentives in FY 2002-03. The Assembly and Senate Budget Subcommittees have adopted placeholder trailer bill language allowing counties to rollover unspent Performance Incentives. The Administration has not objected to this language; however, the final decision is not yet certain.

BY:lm

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors